

Before the
Federal Communications Commission
Washington, D.C. 20554

In re Application of)
)
QWEST LD CORP.)
)
Application for Authority Pursuant to)
Section 214 of the Communications Act of)
1934, as Amended, to Operate as an)
International Facilities-Based and Resale)
Carrier)
)

File No. _____

APPLICATION FOR INTERNATIONAL SECTION 214 AUTHORITY

Qwest LD Corp. ("QLDC") hereby requests authority pursuant to Section 214 of the Communications Act of 1934 (the "Act"), as amended, 47 U.S.C. § 214, and Section 63.18(e)(1) and Section 63.18(e)(2) of the Commission's Rules, 47 C.F.R. §§ 63.18(e)(1) and (e)(2), to provide international facilities-based and resale services between all points in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, Wyoming, *and* all out-of-region states, and all international points. QLDC also seeks conditional authority to provide international service pursuant to Sections 63.18(e)(1) and (e)(2) from additional in-region states at such time as QLDC and/or its affiliate(s) receive section 271 authority for each state.¹ Specifically, this application requests authority for QLDC:

- 1) to provide global international facilities-based service between all points in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, Wyoming, and

¹ 2000 Biennial Review, Amendment of Parts 43 and 63 of the Commission's Rules, Report and Order, IB Docket No. 00-231, FCC 02-154, ¶ 45 (rel. June 10, 2002) ("Report and Order"), appeal pending, *Verizon Wireless v. FCC* (continued on next page)

all out-of-region states, and all international points, except those countries listed on the Commission's exclusion list;²

- 2) to resell international services of all authorized U.S. carriers between all points in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, Wyoming, and all out-of-region states, and all international points, except those countries listed on the Commission's exclusion list; and
- 3) to provide global international facilities-based service and to resell international services of all authorized U.S. carriers between all points in additional in-region states and all international points, at such time as QLDC and/or its affiliate(s) receive section 271 authority for each state.³

This international Section 214 application is integrally related to the pending consolidated application of Qwest Communications International Inc. ("QCII"), to provide in-region, interLATA services in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, and Wyoming pursuant to Section 271 of the Act.⁴ QCII's Section 271 application was filed on September 30, 2002 and must be acted on by December 27, 2002. QLDC seeks to offer customers in these states a full complement of domestic and international interLATA services

(D.C. Cir. filed Aug. 19, 2002). The relevant provision of the *Report and Order* became effective September 4, 2002. 67 Fed. Reg. 56496 (Sept. 4, 2002).

² QLDC requests authority to offer switched services over private lines to and from those markets for which the Commission has already approved or later approves such services.

³ In accordance with the *Report and Order*, QLDC will notify the Commission within 7 days after the initiation of international service from that state. *Report and Order* ¶ 45.

⁴ See Public Notice, *Comments Requested on the Application by Qwest Communications International, Inc. for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA service in the States of Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Washington and Wyoming*, WC Docket No. 02-314, DA 02-2438 (rel. Sept. 30, 2002). QLDC is a Section 272 affiliate of Qwest Corporation, the Bell Operating Company affiliate of QCII.

as soon as possible. Therefore, QLDC requests that the Commission grant it the authority to sought herein no later than the date of approval of the pending Section 271 application.⁵

QLDC notes the Wireline Competition Bureau (“WCB”) has established an expedited comment schedule because the Section 271 application “follows very closely in time to” previous filings and “relies largely on the same evidence that supported its previous application”⁶ Similar considerations apply to the instant application, as it is substantially similar to applications previously filed for the relevant in-region states.⁷ Moreover, no parties filed comments in response to the International Bureau’s public notices seeking comment on those earlier applications.⁸ For these reasons, and to ensure that International Bureau approves the instant application not later than the Commission is prepared to grant the Section 271 application, QLDC also respectfully requests that the Bureau adopt an expedited pleading schedule for the instant application.⁹

I. DESCRIPTION OF THE APPLICANT AND PUBLIC INTEREST STATEMENT

QLDC is a Section 272 affiliate of Qwest Corporation and is a corporation organized under the laws of the State of Delaware. QLDC is not currently authorized to provide international telecommunications services in any in-region states.¹⁰

⁵ Issues relating to whether Qwest Corporation should receive interLATA authority will be considered in the Section 271 proceeding and are irrelevant to this application.

⁶ *Id.* at 1.

⁷ See File Nos. ITC-214-20020621-00313 and ITC-214-20020722-00374.

⁸ See Public Notice, DA 02-1944, File No. ITC-214-20020722-00374 (rel. Aug. 8, 2002); Public Notice, DA 02-1654, File No. ITC-214-20020621-00313 (rel. July 11, 2002). Additional foreign carrier affiliates not on the initial applications were timely disclosed pursuant to Section 63.11 of the rules. See Public Notice, DA 02-1992, File No. FCN-NEW-20020731-00032. The authority requested herein for out-of-region states, while not initially requested in the previous applications, does not warrant a standard comment cycle. As a wholly-owned subsidiary of other carriers authorized to provide out-of-region service, QLDC could alternatively obtain the necessary authority via a simple letter notification, which would not be subject to notice and comment. See 47 C.F.R. §§ 63.21(h), (i); File No. ITC-214-19971031-00673. An initial application for out-of region service alone, moreover, would be subject to streamlined processing. See 47 C.F.R. § 63.12.

⁹ See 47 C.F.R. §§ 63.20(b), (d) (affording discretion in establishing pleading schedule).

¹⁰ QLDC’s in-region states are Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

Through its parent company, QCII, QLDC is affiliated with foreign carriers within the meaning of Sections 63.09(d) and 63.09(e) of the Commission's Rules, 47 C.F.R. §§ 63.09(d)-(e). Because QLDC's foreign carrier affiliates, which are described in detail in response to Section 63.18(i) below, lack sufficient market power in the destination markets to adversely affect competition in the United States, QLDC presumptively qualifies for non-dominant treatment pursuant to Section 63.10(a)(3) of the Commission's Rules, 47 C.F.R. § 63.10(a)(3), for the requested services on all international routes.¹¹ To the extent that QLDC provides international service solely through the resale of an unaffiliated U.S. facilities-based carrier's international switched services, QLDC is also presumptively classified as non-dominant.¹²

Grant of this application, in conjunction with Commission approval of QCII's pending Section 271 application, will serve the public interest, convenience and necessity by enabling QLDC to offer customers in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, Wyoming, and all out-of-region states, a full panoply of interLATA services, including international switched, private line, data and all other authorized international services in addition to domestic interstate and intrastate long distance services. Authorizing QLDC to compete in the provision of international services in these states will thereby increase the competitiveness of the international telecommunications marketplace, ultimately expanding the

¹¹ The Commission has classified each BOC interLATA affiliate as non-dominant in the provision of in-region, international services, unless it is affiliated with a foreign carrier that has the ability to discriminate against the BOC's competitors or its affiliate through control of bottleneck services or facilities in a foreign destination market. *See Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area and Policy Rules Concerning the Interstate, Interexchange Marketplace*, Second Report and Order in CC Docket No. 96-149 and Third Report and Order in CC Docket No. 96-61, 12 FCC Rcd 15756, ¶ 179 (1997). As discussed herein, QLDC has no foreign carrier affiliates with such ability. The Commission reached the same conclusion with regard to BOC affiliates' out-of-region services. *See id.* at ¶¶ 206-213.

¹² *See* 47 C.F.R. § 63.10(a)(4).

range and quality of service offerings available to consumers, lowering prices, and promoting more efficient use of existing international facilities.¹³

II. SECTION 63.18 REQUIREMENTS

The following information is submitted in accordance with Section 63.18 of the Commission's rules and the applicable paragraphs thereunder.

a. Name, Address and Telephone Number

Applicant: Qwest LD Corp.
1801 California Street, # 5200
Denver, Colorado 80202
(303) 992-3300

b. Corporate Organization

QLDC is a Delaware corporation.

c. Contact Person for Correspondence

Sharon J. Devine
Associate General Counsel
Qwest Services Corporation
1801 California Street, 49th Floor
Denver, Colorado 80202
(303) 672-2975

with a copy to:

Carolyn W. Groves
Wilkinson Barker Knauer, LLP
2300 N Street, N.W.
Suite 700
Washington, D.C. 20037
(202) 783-4141

¹³ See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, ¶¶ 4, 10-11 (1997); *Streamlining the International Section 214 Authorization Process and Tariff Regulations*, Report and Order, 11 FCC Rcd 12884, ¶¶ 26, 96 (1996).

d. Description of International Section 214 Authorizations

QLDC does not currently hold international Section 214 authorization.¹⁴

e. Authority Requested

Pursuant to the terms and conditions of Sections 63.18(e)(1) and 63.18(e)(2) of the Commission's Rules, 47 C.F.R. §§ 63.18(e)(1) and 63.18(e)(2), QLDC requests authority:

- (1) to provide global international facilities-based service between all points in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, Wyoming, and all out-of-region states, and all international points, except countries listed on the Commission's exclusion list;¹⁵
- (2) to resell international services of all authorized U.S. carriers between all points in Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Washington, Wyoming, and all out-of-region states, and all international points; and
- (3) to provide global international facilities-based service and to resell international services of all authorized U.S. carriers between all points in additional in-region states and all international points, at such time as QLDC and/or its affiliate(s) receive section 271 authority for each state.

QLDC certifies that it will comply with the terms and conditions contained in Sections 63.21, 63.22, and 63.23 of the Commission's Rules, 47 C.F.R. §§ 63.21, 63.22, and 63.23.

f. Not applicable.

g. Not applicable.

h. Ten Percent Ownership and Interlocking Directorates

¹⁴ A number of QLDC affiliates, including its parent companies and similarly situated sister companies, hold numerous authorizations for out-of-region international Section 214 authorization. These authorizations are a matter of record before the Commission. See, e.g., *International Authorizations Granted*, Public Notice, DA 00-1049 (rel. May 11, 2000) (File No. ITC-T/C-20000317-00185); see also *In re Qwest Communications International Inc. and US WEST, Inc. Applications for Transfer of Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, Memorandum Opinion and Order, 15 FCC Rcd 11909 (2000); *In re Qwest Communications International Inc. and US WEST, Inc. Applications for Transfer of Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, Memorandum Opinion and Order, CC Docket No. 99-272, FCC 00-91 (rel. Mar. 10, 2000). QLDC's commercial mobile services affiliates are authorized to provide international service from in-region states as an incidental interLATA service pursuant to Section 271(b)(3) of the Act.

The ultimate 10 percent or greater interest holders in QLDC are as follows:

Name: Philip F. Anschutz
Address: 555 Seventeenth Street
Denver, Colorado 80202
Citizenship: United States
Principal Business: Transportation, natural resources, real estate, sports,
entertainment, telecommunications
Percent Held: 18 percent indirect interest in QLDC
100 percent direct interest in Anschutz Company

Name: Anschutz Company
Address: 555 Seventeenth Street
Denver, Colorado 80202
Citizenship: Delaware
Principal Business: Transportation, natural resources, real estate, sports,
entertainment, telecommunications
Percent Held: 18 percent indirect interest in QLDC
18 percent direct interest in QCII

Name: AXA Assurances I.A.R.D. Mutuelle
Address: 370 rue Saint Honore
75001 Paris, France
Citizenship: France
Principal Business: Institutional Investor
Percent Held: Controlling Interest in AXA
10.152 percent indirect interest in QLDC

Name: AXA Assurances Vie Mutuelle
Address: 370 rue Saint Honore
75001 Paris, France
Citizenship: France
Principal Business: Institutional Investor
Percent Held: Controlling Interest in AXA
10.152 percent indirect interest in QLDC

Name: AXA Conseil Vie Assurance Mutuelle
Address: 370 rue Saint Honore
75001 Paris, France
Citizenship: France
Principal Business: Institutional Investor
Percent Held: Controlling Interest in AXA
10.152 percent indirect interest in QLDC

¹⁵ QLDC requests authority to offer switched services over private lines to and from those markets for which the Commission has already approved or later approves such services.

Name: AXA Courtage Assurance Mutuelle
Address: 26, rue Louis le Grand
75002 Paris, France
Citizenship: France
Principal Business: Institutional Investor
Percent Held: Controlling Interest in AXA
10.152 percent indirect interest in QLDC

Name: AXA
Address: 25, avenue Matignon
75008 Paris, France
Citizenship: France
Principal Business: Institutional Investor
Percent Held: 100 percent direct interest in AXA Financial, Inc.
10.152 percent indirect interest in QLDC

Name: AXA Financial, Inc.
Address: 1290 Avenue of the Americas
New York, NY 10104
Citizenship: Delaware
Principal Business: Institutional Investor
Percent Held: 53 percent direct interest in Alliance Capital Management
L.P.
10.152 percent indirect interest in QLDC

Name: Alliance Capital Management L.P.
Address: 1345 Avenue of the Americas
New York, NY 10105
Citizenship: Delaware
Principal Business: Institutional Investor
Percent Held: 10 percent direct interest in QCII
10 percent indirect interest in QLDC

Name: Edward C. Johnson 3d (and Family)
Address: 82 Devonshire Street
Boston, Massachusetts 02109
Citizenship: United States
Principal Business: Chairman, FMR Corp.
Percent Held: 11.561 percent indirect interest in QLDC
49 percent direct interest in voting shares and controlling
interest in FMR Corp.

Name: FMR Corp.
Address: 82 Devonshire Street
Boston, Massachusetts 02109
Citizenship: Massachusetts
Principal Business: Institutional Investor
Percent Held: 11.561 percent indirect interest in QLDC
100 percent direct interest in Fidelity Management & Research Company

Name: Fidelity Management & Research Company
Address: 82 Devonshire Street
Boston, Massachusetts 02109
Citizenship: Massachusetts
Principal Business: Institutional Investor
Percent Held: 10.916 percent indirect interest in QLDC
10.916 percent direct interest in QCII

Name: Qwest Communications International Inc.
Address: 1801 California Street
Denver, Colorado 80202
Citizenship: Delaware
Principal Business: Telecommunications
Percent Held: 100 percent indirect interest in QLDC
100 percent direct interest in QSC

Name: Qwest Services Corporation
Address: 1801 California Street
Denver, Colorado 80202
Citizenship: Delaware
Principal Business: Telecommunications
Percent Held: 100 percent direct interest in QLDC

There are no interlocking directorates.

i. Affiliations with Foreign Carriers

Applicant QLDC hereby certifies that it is affiliated with foreign carriers that are wholly-owned subsidiaries of QCII in the countries described below:

- **Hong Kong.** QCII holds an indirect 100 percent interest in Qwest Hong Kong Telecommunications, Ltd, which holds a PNETS (reseller) license.
- **Japan.** QCII holds an indirect 100 percent interest in Qwest Communications Japan Corp., which holds a Type 1, facilities-based license.
- **Republic of Korea.** QCII holds an indirect 100 percent interest in Qwest Communications Korea, Ltd., which holds a reseller license.

- **Singapore.** QCII holds an indirect 100 percent interest in Qwest Singapore Pte, Ltd., which holds a SBO (reseller) license.
- **Australia.** QCII holds an indirect 100 percent interest in Qwest Australia Pty, Ltd., which operates as an unlicensed telecommunications reseller.
- **Taiwan.** QCII holds an indirect 100 percent interest in Qwest Taiwan Telecommunications, Ltd., which was granted a Type 2 (reseller) license in May 2002.
- **United Kingdom.** QCII holds an indirect 100 percent interest in Qwest Communications International, Ltd., which is licensed to provide International Simple Voice Resale service and facilities-based service.
- **Netherlands.** QCII holds an indirect 100 percent interest in Qwest Netherlands B.V., which holds a reseller license.
- **Switzerland.** QCII holds an indirect 100 percent interest in Qwest Netherlands B.V., which is registered as a reseller.
- **Canada.** QCII holds an indirect 100 percent interest in QCC, which holds an International Reseller License Class B.

Foreign carrier affiliates held via QCII's indirect ownership interest in KPNQwest¹⁶ are:

- **Austria.** QCII holds an indirect 47% interest in KPNQwest Assets Austria GmbH, which holds a license to provide leased lines.
- **Belgium.** QCII holds an indirect 47% interest in KPNQwest Assets Belgium NV, which holds a license for installing and exploiting a telecommunications network.
- **Czech Republic.** QCII holds an indirect 47% interest in KPNQwest Assets Czechia s.r.o., which holds a license for establishing and operating a public telecommunications network.
- **Denmark.** QCII holds an indirect 47% interest in KPNQwest Assets Denmark ApS, but no license is required for the high speed network transport, Internet access, IP VPN, IP voice, and other Internet-based services it provides. (KPNQwest Sweden AB is the operating company in Denmark.)
- **Estonia.** QCII holds an indirect 47% interest in KPNQwest Estonia, which holds a license to operate a switched broadband network and has rights to provide leased line, data communications, access, and interconnection services.
- **Finland.** QCII holds an indirect 47% interest in KPNQwest Assets Finland OY and KPNQwest Finland OY, which are registered to provide telecommunications network services and telecommunications services.
- **France.** QCII holds an indirect 47% interest in KPNQwest Assets France S.A., which holds an L-33.1 non-nationwide license for infrastructure that includes extensions into Southern and Western France.
- **Germany.** QCII holds an indirect 47% interest in KPNQwest Assets Germany GmbH, which holds (1) a non-nationwide, class 3, infrastructure line license connecting EuroRings to Austria, Switzerland, Denmark and Czech Republic; and

¹⁶ KPNQwest is currently in bankruptcy. QLDC will apprise the Commission if the outcome of KPNQwest's bankruptcy proceedings materially affects the information described in the instant application.

(2) a class 3, Areal infrastructure license covering Düsseldorf, Köln, Frankfurt am Main, München, certain ADSL cities (Hamburg, Berlin and Potsdam), and certain DSL cities.

- **Ireland.** QCII holds an indirect 47% interest in KPNQwest Carrier Services B.V., which holds a Basic Telecommunications License for data services and value-added services.
- **Italy.** QCII holds an indirect 47% interest in KPNQwest Assets Italy SrL, which holds a license for the installation and provision of a public telecommunications network.
- **Luxembourg.** QCII holds an indirect 47% interest in KPNQwest Corporate Development B.V., which is registered to provide telecommunications services including MBBS, IP transit, ATM/frame relay, and VoIP.
- **Netherlands.** QCII holds an indirect 47% interest in (1) KPNQwest Operations B.V., which is registered to install a nationwide telecommunications network; and (2) KPNQwest Services Netherlands B.V., which is registered to offer leased lines.
- **Norway.** QCII holds an indirect 47% interest in KPNQwest Assets Norway AS and KPNQwest Norway AS, which are registered to provide public telecommunications networks and transmission capacity.
- **Romania.** QCII holds an indirect 47% interest in KPNQwest Romania s.r.l., which holds a license for the installation, operation, and maintenance of a public national network.
- **Slovakia.** QCII holds an indirect 47% interest in KPNQwest Assets Slovakia s.r.o., which holds a license for the installation and operation of a public telecommunications network.
- **Spain.** QCII holds an indirect 47% interest in KPNQwest Assets Spain S.L., which holds a class C1 infrastructure license and a class A voice license.
- **Sweden.** QCII holds an indirect 47% interest in KPNQwest Sweden AB, which is registered to provide telephony services to fixed points, other telecommunications services, and network capacity.
- **Switzerland.** QCII holds an indirect 47% interest in KPNQwest Assets Switzerland Sarl, which holds a nationwide license to install a network.
- **United Kingdom.** QCII holds an indirect 47% interest in (1) KPNQwest Assets U.K. Ltd., which holds a Public Telecommunications Operator license to (a) interconnect; and (b) provide International Simple Voice Resale service; and (2) KPNQwest B.V.

j. Destination Markets

QLDC certifies that it seeks to provide international telecommunications services to countries in which QCII controls a foreign carrier. These foreign carriers and destination countries are: Qwest Hong Kong Telecommunications, Ltd. (Hong Kong); Qwest Communications Japan Corp. (Japan); Qwest Communications Korea, Ltd. (Republic of Korea);

Qwest Singapore Pte, Ltd. (Singapore); Qwest Australia Pty, Ltd. (Australia); Qwest Taiwan Telecommunications, Ltd. (Taiwan); Qwest Communications International, Ltd. (United Kingdom); Qwest Netherlands B.V. (Netherlands and Switzerland); and Qwest Communications Corporation (Canada).

k. Competition Issues

All the destination markets identified above are WTO Member countries. In addition, QLDC's foreign carrier affiliates are new market entrants and do not control bottleneck services or other facilities in their destination markets. Accordingly, QLDC's foreign carrier affiliates lack market power in these destination markets.

l. Reselling Services of Unaffiliated U.S. Facilities-Based Carriers

QLDC may provide international switched services in part by reselling the switched services of unaffiliated U.S. facilities-based carriers. All of QLDC's foreign carrier affiliates lack sufficient market power in their markets to adversely affect competition in the U.S. market. Each such affiliate is a new market entrant that does not control bottleneck services or other facilities in its market and lacks a 50 percent share in the international transport and local access markets on the foreign end of the route.

m. Non-Dominant Classification

QLDC should be regulated as a non-dominant carrier on all international routes. Pursuant to Section 63.10(a)(3) of the Commission's Rules, 47 C.F.R. § 63.10(a)(3), QLDC qualifies for non-dominant regulation because each of its affiliated foreign carriers lacks sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market. This lack of market power is evidenced by the fact that each such affiliate is a new market entrant that does not control bottleneck services or other facilities in its market and lacks

a 50 percent share in the international transport and local access markets on the foreign end of the route.

n. Special Concessions

QLDC hereby certifies that it has not agreed to accept special concessions, as defined in Section 63.14 of the Commission's Rules, 47 C.F.R. § 63.14(b), directly or indirectly from any foreign carrier where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future, except as permitted by Section 63.14.

o. Anti-Drug Abuse Act Certification

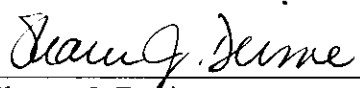
QLDC hereby certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

CONCLUSION

For the reasons set forth above, the public interest, convenience and necessity would be furthered by grant of this application, and the Commission should grant this application no later than the date of QCII's pending Section 271 application.

Respectfully submitted,

QWEST LD CORP.

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October 4, 2002